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FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP
1300 I STREET, NW
WASHINGTON, DC 20005

EXAMINER	
RETTA, YEHDEGA	

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 09/613,153
Filing Date: July 06, 2000
Appellant(s): FRIED, DAVID R.

Jeffrey A. Berkowitz
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed August 6, 2004.

(1) Real Party in Interest

A statement identifying the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) Status of Claims

The statement of the status of the claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Invention

The summary of invention contained in the brief is correct.

(6) Issues

The appellant's statement of the issues in the brief is correct.

(7) Grouping of Claims

Appellant's brief includes a statement that claims Group I (claims 21, 24-31, 34-41, 44-50), Group II (claims 51, 54-61, 64-71, 74080) and Group III (claim 80) do not stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

(8) Claims Appealed

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

No prior art is relied upon by the examiner in the rejection of the claims under appeal.

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 21-81 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claim 21 recites generating a report ranking a set of the identified stocks with buyback based on at least one other selection criteria associated with performance of a corresponding company. Applicant's disclosure does not teach ranking a set of the identified stocks with buyback based on at least one other selection criteria associated with performance of a corresponding company. The specification teaches ranking stocks based on the price/sales ratio or price/earning ratio for each stock (see page 2) and, on page 4, the disclosure states, the screened stocks are ranked to provide a listing satisfying the criteria inputted by the user (step 240) ... the screened stocks are ranked from lowest to highest price/sales ratio or lowest to highest price/earning ratio. Therefore the specification does not teach one ordinary skill in the art other screening criteria beside the two ratios, i.e., price/sales ratio or price/earning ratio.

Claims 31, 41, 51, 61 and 71 are rejected as stated above in claim 21.

Claims 24-30, 34-40, 44-50, 54-60, 64-70, 74-80 are rejected since they depend on rejected claims.

Claim 81 recites selecting criteria... wherein the selected criteria consists of a buyback ratio and a company performance ratio; ranking stocks within the subset based on the company performance ratio. Applicant's disclosure does not teach ranking stocks based on company performance ratio. The specification teaches ranking stocks based on the price/sales ratio or price/earning ratio for each stock (see page 2) and, on page 4, the disclosure states, the screened stocks are ranked to provide a listing satisfying the criteria inputted by the user (step 240) ... the screened stocks are ranked from lowest to highest price/sales ratio or lowest to highest price/earning ratio. Therefore the specification does not teach one ordinary skill in the art what other ratio is used to screen or rank the stocks beside the two ratios, i.e., price/sales ratio or price/earning ratio. Selecting stocks or ranking stocks based on company performance ratio is broader than what is disclosed therefore, it is new matter.

Rejection, 35 U.S. C. 251, Recapture

2. Claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, 74-81 are rejected under 35 U.S.C. 251 as being an improper recapture of broadened claimed subject matter surrendered in the application for the patent upon which the present reissue is based. See Hester Industries, Inc. v. Stein, Inc., 142 F.3d 1472, 46 USPQ2d 1641 (Fed. Cir. 1998); In re Clement, 131 F.3d 1464, 45 USPQ2d 1161 (Fed. Cir. 1997); Ball Corp. v. United States, 729 F.2d 1429, 1436, 221 USPQ 289, 295 (Fed. Cir. 1984). A broadening aspect is present in the reissue, which was not present in the

application for patent. The record of the application for the patent shows that the broadening aspect (in the reissue) relates to subject matter that applicant previously surrendered during the prosecution of the application. Accordingly, the narrow scope of the claims in the patent was not an error within the meaning of 35 U.S.C. 251, and the broader scope surrendered in the application for the patent cannot be recaptured by the filing of the present reissue application.

3. Regarding claims 21, 31 and 41, in the original presentation (in the patent), Applicant argued that the prior art did not disclose or suggest "selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earning ratio for each stock" and "identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding". The argument constitutes an admission by applicant that the limitations were necessary to overcome the prior art. The above stated limitation of the patent claims is omitted in the reissue claims. This omission provides a broadening aspect in the reissue claims, as compared to the claims of the patent. However, the omitted limitations were originally argued in the original application to make the application claims allowable over a rejection made in the application. Thus, the omitted limitation relates to subject matter previously surrendered, in the original application.

5. Regarding Claims 51, 61, 71 and 81, the broadening aspect of the claims is also relates to subject matter that applicant previously surrendered during the prosecution of the application. Therefore the same rejection stated above applies.

Claims 24-30, 34-40, 44-50, 54-60, 64-70, 74-80 are rejected since they depend on rejected claims.

Allowable Subject Matter

Claims 22, 23, 32, 33, 42, 43, 52, 53, 62, 63, 72 and 73, would be allowable if rewritten to overcome the rejection(s) under 35 U.S.C. 112, second paragraph, set forth in this Office action and to include all of the limitations of the base claim and any intervening claims.

(11) Response to Argument

The rejection under 35 USC § 112, first paragraph regarding claims 21, 24-31, 33-41, 44-51, 54-61, 64-71 and 74-81.

Appellant argues that 35 USC § 112, first paragraph does not require the application disclose more than the use of "at least one of price/sales ratio and a price/earning ratio" and a buyback ratio as criteria for screening a selection of stocks. Appellant argues that the Examiner's emphasis being misplaced because the excerpt is a part of an explanation of one mode of carrying out the invention and does not limit the scope of the invention.

Appellant claims generating a report ranking a set of identified stocks with **buyback ratios based on at least one other selection criteria associated with performance of a company**.

Examiner is aware that Appellant in the specification discloses "(T)o develop successful investment strategies, financial advisers currently rely on a myriad of theories and factors in attempt to find the best investment vehicles for their clients. These theories are often based on age-old economic trends or newly developed calculations and stock screening techniques. One

such recognized value factor for predicting or analyzing company performance is the price/sales ratio". Examiner also noted that the specification discloses "(T)here is, however, no single method that combines the performance of the price/sales ratio with the buyback theory to maximize the performance of a stock investment portfolio. In fact, many experts in the field discount the importance of buyback statistics, and those recognizing its potential have not thought to combine it with a company' price/sales statistics. Therefore, there exists a need for an investment strategy that automatically determines those companies buying back the greatest percentage of their stock while maintaining the lowest price/sales ratio. The result of this method should help investors develop a strategy that combines the benefits of the price/sales ratio value factor with the stock buyback theory". The specification also teaches that, in the preferred embodiment the selection criteria consists of a company's buyback ratio and either the price/sales ratio or the price/earnings ratio, and the selection criteria consists of price/sales ratio or price/earnings ratio...(page 3). The specification further teaches that **the selection criteria of the present invention, has been empirically proven to outperform other selection criteria over the same time period**. Appellant specification (col. 2 lines 48-55) discloses "(S)ystems and methods consistent with the present invention provide investors with the means to select an investment group based on a set of selection criteria consisting of a buyback ratio and price/sales or price/earning ratio to improve investment return".

As stated before, Appellant's specification does not disclose any other selection criteria other than the price/sales ratio and a price/earnings ratio. Nowhere in the specification does Appellant disclose that any criteria, associated with performance of a company, being used for selection criteria and the preferred embodiment being the price/sales ratio and a price/earnings

ratio. Appellant only disclosed the preferred embodiment i.e., the price/sales ratio and a price/earnings ratio.

Appellant also argues that nowhere in the specification does Appellant state " ranking stocks based **ONLY** on the price/sales ratio or price/earning ratio. That is correct, however the specification teach only those criteria. Appellant is also correct that Appellant is entitled by law to claim the invention broadly, provided the claim encompasses within its scope of embodiment disclosed in the specification, however the claim is broader than what is disclosed.

If it is well known that there are many criteria for analyzing or measuring company performance, Appellant did not disclose those criteria associated with company performance, other than the price/sales ratio and the price/earning ratio and the buyback ratio to screen stocks or to rank stocks. Therefore, the rejection of 35 U.S.C. 112 as stated above is appropriate.

Regarding claim 81 Appellant's disclosure does not teach ranking stocks based on company performance ratio. The specification teaches ranking stocks based on the price/sales ratio or price/earning ratio for each stock (see page 2) and, on page 4, the disclosure states, the screened stocks are ranked to provide a listing satisfying the criteria inputted by the user (step 240) ... the screened stocks are ranked from lowest to highest price/sales ratio or lowest to highest price/earning ratio.

Regarding claims 21, 24-31, 34-41, 44-51, 54-61, 64-71 and 74-81 as being rejection based on improper recapture.

As stated in the office action a broadening aspect is present in the reissue, which was not present in the application for patent. The record of the application for the patent shows that the broadening aspect (in the reissue) relates to subject matter that applicant previously surrendered

during the prosecution of the application. Accordingly, the narrow scope of the claims in the patent was not an error within the meaning of 35 U.S.C. 251, and the broader scope surrendered in the application for the patent cannot be recaptured by the filing of the present reissue application.

Appellant argues that the only limitation that was asserted during the prosecution of the "854 application" is "***wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding***". Examiner disagrees.

During the prosecution of the "854 application", Appellant argued that selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earning ratio for each stock" and "identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding". The argument constitutes an admission by applicant that the limitations were necessary to overcome the prior art. The above stated limitation of the patent claims is omitted in the reissue claims. This omission provides a broadening aspect in the reissue claims, as compared to the claims of the patent. However, the omitted limitations were originally argued in the original application to make the application claims allowable over a rejection made in the application. Thus, the omitted limitation relates to subject matter previously surrendered, in the original application.

Appellant also argues that the Examiner overlooked the fact that the application includes dependent claims that include all material limitations of the original patent claims as well as

additional limitation and that it was inappropriate to simply lump the dependent claims with their base claims. Examiner disagrees.

Those claims that include the limitation of the original patent have been indicated as allowable subject matter (such as claims 22, 23, 32, 33 etc.). The rest of the dependent claims lack the feature omitted in the base claim.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Yehdega Retta
Primary Examiner
Art Unit 3622

YR
November 10, 2004

Conferees
Eric Stamber
James Myhre

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
LLP
1300 I STREET, NW
WASHINGTON, DC 20005